

Business leaders hail Shabbar Zaidi's appointment as FBR chief

Business community has hailed the appointment of Syed Shabbar Zaidi as chairman of Federal Board of Revenue (FBR). On behalf of Pakistan Bed Wear Exporters Association, Shabir Ahmed has congratulated Syed Shabbar Zaidi on his appointment as FBR chairman. "We are confident that Pakistan will benefit from your appointment," he said.

He further said that over the last two decades, the tax policies had been distorted that discouraged manufacturing and exports.

He said the tax laws that encouraged imports were deleterious for progress of Pakistan as an economic powerhouse.

Therefore, business community is happy on appointment of Shabbar Zaidi. He said they genuinely feel that a professional can understand the issues of the industry particularly Bedwear sector and organised business sector as a whole, Shabir also assured full support to new chairman FBR for progress of Pakistan.

Engr Daroo Khan Achakzai, president of Federation of Pakistan Chambers of Commerce and Industry (FPCCI), S.M Muneer, ex-president FPCCI, Iftikhar Ali Malik, SVP SAARC CCI and all office bearers of the FPCCI have congratulated Shabbar Zaidi on becoming FBR chairman. They said Shabbar Zaidi rightly deserve for the post by virtue of his long and outstanding experience in the field of chartered accountancy and as such is well-versed with the Pakistan's tax law, key policy matters governing fiscal strategy, corporate regulation, foreign exchange regime and main ailments of economy.

They also hailed the government for bringing a professional person on such a vibrant post to steer the country out of the challenges being confronted by the FBR. They hoped that Shabbar Zaidi would take long and short term measures to gradually enhance tax-to-GDP ratio from 13 percent to its actual potential of 26 percent as the low ratio is mother of all economic ills.

They identified economic ills viz. higher tax rates, tax evasion, thin tax-base, exponential increase in parallel economy, historically low revenue shortfall (estimated to be Rs 486 billion by June 2019), etc.

The FPCCI heavyweights elaborated that out of 210 million total population of the country, the returns of only 1.8 million (less than 1 percent) were filed in 2018. They said it underscores the need to bring all the sectors of the economy in tax-net and wherever the income is generated, be taxed with political will, as at present, manufacturing sector is overly burdened (with paying 62 percent of total taxes) in comparison to its contribution (20.3 percent) in GDP whereas agriculture and service sectors share in tax payment is 1 percent and 37 percent, respectively, although their contribution to GDP is 19 percent and 60 percent respectively, they said.

They proposed that FPCCI should be consulted in formulation of business-friendly tax policy to ensure its smooth implementation.

They were confident that the existing cordial relations between the FPCCI and the FBR would be further strengthened for the benefit of the both stakeholders -FBR and trade & industry. They assured the FBR chairman of their full support and co-operation for the promotion of tax culture in the country.